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RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEKDIA/DIA WASHINGTON DC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 04 RIYADH 001519

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DEPT OF ENERGY PASS TO M WILLIAMSON, AHEGBURG, GPERSON, AND
JHART
DEPT OF TREASURY FOR A/S CLOWERY

E.O. 12958: DECL: 07/17/2017
TAGS: [EINV](#) [ENRG](#) [EPET](#) [VE](#) [SA](#)
SUBJECT: AMBASSADOR FRAKER MEETS PRINCE ABDULAZIZ ON NOPEC,
LAWSUIT ISSUES

REF: RIYADH 1475

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Classified By: ADCM David Rundell for reasons 1.4
(b) (c) and (d).

¶1. This is an action request. Please see paragraph six.

SUMMARY

¶2. (C) In a July 16 meeting with Ambassador Fraker, HRH Deputy Minister of Petroleum (MinPet) Prince Abdulaziz bin Salman bin Abdulaziz Al-Saud continued to underscore his concern with on-going lawsuits against Saudi Aramco and pending NOPEC legislation. He reminisced about his twenty good years handling the U.S. account for the MinPet, noting that there were many "more question marks" now. Prince Abdulaziz continued to press for the USG to file "statement of interests" (SOI) in the court cases filed against Saudi Aramco, and to secure access for their counsel to the interagency committee handling the lawsuits issue. He stated MinPet counsel may move to combine the class action suits pending against Saudi Aramco. He noted a September Ministry of Petroleum presentation to the Majlis al Shoura and the November OPEC Summit in Riyadh would offer critics of the USG ample scope to air their views. Of the OPEC Summit, he quipped, "It will be one hell of a platform for Khadafi and Chavez," and admitted somewhat ruefully that even Saudi Arabia would be hard pressed to keep NOPEC and the lawsuits from being prominently and negatively mentioned in the OPEC Summit Declaration.

Prince Recalls When Oil Relationship Was Easier:
"I Remember When We Used to be Like One Government"

¶3. (SBU) In a July 16 meeting with Ambassador Fraker, Pol Counselor, and Energy Attache, Prince Abdulaziz opened the meeting by remarking that he will have handled the U.S.

account in MinPet for twenty years in January. He remarked on the inauguration of the bilateral committee handling U.S.-Saudi energy negotiations during that time. He reminisced about the first Gulf War and the Iraqi occupation of Kuwait, when "we were almost like one government, with joint planning, trying to ensure enough oil for the troops activities. Our policy was open books. I belong to that sweet jolly good time." Remarking on the changes in the political atmosphere, the Prince noted, "Now there are questions marks on the intentions of the U.S. Congress and public. The U.S. is a huge market. We've always invested a lot for it. We're realistic and sympathetic (to the President). We differentiate between the President's intentions and how things are faring right now in the U.S."

SOI Request: We Need to Tranquilize People's Anxiety
Timeframe is Urgent

¶4. (C) Prince Abdulaziz spoke about the anxiety created by NOPEC and the lawsuits against Saudi Arabia. He reiterated his request for the Administration to file SOIs in the district court cases filed against Saudi Aramco, stating, "We need a fig leaf to tranquilize everyone here, because they believe we can't accept this NOPEC thing. There is nothing more the USG can do to put people's minds at ease than to file the SOI, to tranquilize these cases." Ambassador Fraker indicated that "We're closely examining the legal issues, there is a process to follow, and every case is a little different." He explained that the request was receiving serious consideration, and would be discussed during his upcoming meetings in Washington.

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¶5. (C) Prince Abdulaziz told us Minister Naimi had met Secretary of Energy Bodman last week, and they had discussed

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the international energy markets, NOPEC, and the lawsuits. The Prince re-emphasized how much he appreciated the good work of A/S Karen Harbert, Molly Williamson, and others on the Secretary Bodman's staff. However, he added on the NOPEC issue, "These things go beyond Secretary Bodman, there is a political angle, a situation between the Administration and Congress." The Ambassador agreed, noting he hoped to spend time on Capitol Hill speaking with Congress and to make them aware of them aware of the likely repercussions of NOPEC. Prince Abdulaziz then returned to the lawsuits issue, "However, we urgently need movement on the cases, the cases are more imminent than NOPEC, which is why we brought them up in Tabouk (Note: During the Vice President Cheney's May 2007 visit, ref A, End note.) We don't want to dilute the (lawsuits) issue, it's a question of timeframe."

Interagency Meeting Request

¶6. (C) Continuing on the theme of the Saudi Aramco lawsuits, Prince Abdulaziz complained that "we're locked out of the inter-agency process," claiming again that MinPet counsel has been denied access to the interagency committee handling the suits.

Action Request: According to Washington interlocutors, Prince Abdulaziz's belief that Min Pet counsel has been "locked out" of the interagency committee is more perception than reality. However, to avoid any negative perceptions in this area, Embassy Riyadh requests the interagency committee offer MinPet counsel White and Case a meeting time with those agencies able to accept meetings with outside counsel.

Prince Abdulaziz also requested that Ambassador Fraker meet with Saudi Ambassador to the U.S. Jubeir on the lawsuits issue while in Washington, and generally requested we keep Ambassador Jubeir updated on this issue, as the Ambassador will brief King Abdullah and Foreign Minister Prince Saud Al-Faisal.

Legal Strategy: Combine Class Action Cases,
Keep OPEC at Bay, Lay Low on NOPEC

¶7. (C) Prince Abdulaziz then provided some insight into MinPet's approach to the legal cases and NOPEC. He told us MinPet counsel had recommended they seek to combine the various class action suits against Saudi Aramco into one. He mused, "Putting the cases into one court, not a bad idea. They are in the final analysis the same, the approach and the ramifications are the same." Prince Abdulaziz marveled that counsel from opposing sides would attempt to negotiate such a deal in the interests of efficiency; it seemed to strike him as very American. Prince Abdulaziz confirmed MinPet's traditional choice of counsel for the lawsuits filed against Saudi Aramco, saying "On the individual cases, we're using White and Case." However, unspecified lawyers would handle the cases filed against Citgo, PDV, and Lukoil, as the KSA is only an "un-named co-conspirator" in these cases. The Prince explained, "We're working with the Venezuelans on a case, we're talking to the Russians about one, and working with a variety of lawyers on these cases. We're taking a lead, but the Mexican and the Venezuelan legal counsel won't sit together, it's agony to get them to agree to anything. We have no love for the Venezuelans, but we're concerned we'll establish a precedent (with respect to violating national sovereignty.) With respect to the involvement of OPEC as an organization, the Prince clarified, "We keep OPEC as an organization at bay. There are amicus briefs from OPEC members states though." Prince Abdulaziz also confirmed MinPet was using White and Case to track their interests in the NOPEC legislation. "On the NOPEC issue, we are following it, but we are not lobbying. Based on our discussions with

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DOE, we are laying low."

Shoura Council Session, OPEC Summit Offer Enticing
Platforms to Air Anti-US Views on Lawsuit, NOPEC Issues

¶8. (C) Prince Abdulaziz warned of two potholes in the road ahead in coming months: a summons for the Ministry of Petroleum to make a presentation at the Majlis al Shoura (MAS, the consultative counsel) by September, and the November OPEC Summit to be held in Riyadh. He seems concerned the USG must position itself to proactively manage these events, or risk negative press in Saudi Arabia in the first instance, or internationally in the second.

¶9. (C) Majlis al Shoura meeting: As per ref A, Prince Abdulaziz reiterated he had recently appeared in a closed meeting of the MAS to discuss NOPEC legislation, and had managed to convince members that the "the best thing to do was to remain quiet." He then added that the MinPet had received a summons to appear before the MAS again on budgetary issues by September, and he expects this session will be public. He expects NOPEC to be an issue again, and he also fears MAS members could find out about the lawsuits against Saudi Aramco, which are not yet public knowledge in Saudi Arabia. He told us that in the session two weeks ago, he "did not mention the cases, it would have made the situation worse. People would interlink the lack of a delivery of a SOI with NOPEC."

¶10. (C) Prince Abdulaziz hopes to go into the September publicly-televised session of the MAS armed with a SOI,

especially if the lawsuits are common public knowledge by then. "If there is a larger MAS session, and the media comes and there are cameras, we hope to have in-hand by then not only a note threatening a veto for NOPEC, but also a SOI interjecting into the court cases. We are mindful of the legalities, but we'd like a fair chance of demonstrating to our politicians that the Administration views this seriously."

¶11. (C) Moving onto the next likely pothole, Prince Abdulaziz warned the November OPEC Summit in Riyadh would offer an enticing platform for the critics of the USG to air their views on NOPEC and the lawsuits, which have also prominently targeted Venezuelan national oil company Petroleos de Venezuela (PDV) and its affiliates such as Citgo. He quipped, "It will be one hell of a platform for Khadafi and Chavez." Commenting on the difficulty of keeping harsh mentions of NOPEC out of the OPEC Summit Declaration, Prince Abdulaziz laid out the timeline and process. "By 12 September, we hope to have an early draft of the Summit Declaration. It will be a fancy soft draft, which will be trashed by their (e.g., the Venezuelans and Libyans) gurus during the negotiations. We will do our best, but how will we overlook NOPEC?" Finally, as we wrapped up the conversation, Prince Abdulaziz added a final plea on the lawsuits issue, "I have spent a great deal of time over the last 4-5 months on this issue, it is very crucial for us."

Comment

¶12. (C) Prince Abdulaziz appeared less agitated on the lawsuit issue than at our last meeting (ref A), perhaps now content he has obtained some measure of USG attention for his cause. However, he has laid down some interesting markers for the near future. By bringing up the MAS and OPEC Summit meetings now, as a friend, he has warned us of potholes in the road ahead. As an interlocutor seeking to shape our behavior, he both upped the ante and reminded us that the SAG will have significant opportunities in coming months to determine how to spin NOPEC and the lawsuit issues amongst the wider Saudi press and public. The SAG has thus far chosen to keep these issues quiet and amongst the ruling elite. A wider debate on either the NOPEC legislation or the

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lawsuits against Saudi Aramco would likely be subject to significant mis-understanding by much of the public, and a possible generalized backlash against the U.S.

FRAKER